

April 6, 1983

LB 571

one little tax and I say that LB 571 is a very fair, a very straightforward and frankly it is a respectable compromise between the position of Iowa which allows no collection fee whatsoever and the position of Nebraska which provides retailers the highest take of any state whatsoever, the highest take out of other people's taxes for simply doing their service for government.

SENATOR CLARK: Senator Higgins, then Senator DeCamp. Senator Higgins, first, if she is around.

SENATOR HIGGINS: Mr. Chairman, I would like to ask Senator Hefner if he would yield to a question.

SENATOR CLARK: Senator Hefner, would you yield, please?

SENATOR HEFNER: Yes.

SENATOR HIGGINS: Senator Hefner, have you ever owned a business?

SENATOR HEFNER: Yes, I have.

SENATOR HIGGINS: Do you now own any business?

SENATOR HEFNER: Well along with the bank, yes.

SENATOR HIGGINS: Let me ask you this. Do you take out state withholding tax on your employees?

SENATOR HEFNER: Certainly do.

SENATOR HIGGINS: How much does the state pay you to do that?

SENATOR HEFNER: They don't pay us anything but this is a little different.

SENATOR HIGGINS: They don't pay you anything for withholding. Thank you, Senator Hefner, you answered my question. I'm wondering why we pay merchants to collect sales tax and by golly, we don't pay people to collect state income tax. Now people that have a turnover of employees, that is a considerable expense when you consider so many companies have people coming and going so often, perhaps in the construction business and other businesses. Two years ago I introduced a bill that would do nothing but do away with the 3% collection fee for utility companies and the estimated cost or the estimated revenue to the state was \$10 million in 1981. Now, Senators, I would like to point something out to you that maybe you haven't thought about.